

For Immediate Release

Companies warned to lower their risk profile

The recent tragic deaths of a number of members of a South African firm when the light aircraft they were travelling in crashed highlights why companies need to lower the risks their executives face on a daily basis while carrying out their corporate duties.

Many local companies are successful and have offices across South Africa, Africa, Europe and North America that necessitates regular travel by skilled staff and business executives.

“Companies need to have a series of proactive crisis strategies in place that helps to reduce the risk profiles of their executives and staff and minimise the chance of a crisis occurring while they carry out company business,” says Evan Bloom, MD of Crisis Communications Consultancy. “These strategies will facilitate the effective management of a company, the crises it faces and the rapid communication and implementation of a crisis plan.”

Bloom advises companies to consider the following:

Before taking corporate action, consider the potential risks

Sending a team of company representatives to a meeting driving in the same car, minibus or airplane should be discouraged. If these executives are killed or seriously injured, the intellectual capital of the entire team is wiped out and in many cases can not be replaced as some organisations do not have contingencies in place.

Look at who may be at risk

Before the company sends its employees out they need to consider what risk the company and its clients will face if the employees travel together and are injured or killed while going to their destination, carrying out company duties and returning to the office. In addition, the company needs to consider what its responsibilities are when it comes to supporting each employee's family during the tough and emotional time after a tragic incident.

Mitigate these risks with proper precautions

Risks can only be mitigated once they are identified and understood. Companies need to have standing orders that dictate what precautions executives need to take while carrying out their corporate duties.

Whether it is seeing that an executive's data on a laptop is secured so the data can not be accessed if it is stolen, or ensuring that no more than two executives travel together to a meeting, companies need to reduce their risks by taking the right steps.

"Obviously there are exceptions. If there are 10 executives flying to London you can not expect a company to find five flights with two executives travelling on each. Rather split them into two equal groups that travel on separate flights and ensure team members do not travel together," explains Bloom.

Companies also need to consider taking out a Keyman insurance policy for specific high-profile individuals who perform very important roles and functions that could affect the company if their lives were lost in an accident. The policy would compensate the company for the time it took to recruit and train another individual to fulfil the specific functions and responsibilities of the deceased.

Ensure precautions are followed

Companies must ensure standing orders relating to the precautions executives need to take while carrying out their corporate duties are strictly adhered to. "It is no use having rules pertaining to corporate governance enforced, but rules designed to keep people safe and alive disregarded," says Bloom. Companies need to ensure that they have a person who sits at board level who has the enterprise-wide responsibility to ensure that all company risk strategies and regulations are adhered to and enforced by all employees, top to bottom.

Furthermore, the company's risk management policy must be integrated into its business continuity plan together with its crisis communications plan.

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